



AGENDA ITEM: 6(d)

CABINET: 17 January 2012

Report of: Assistant Director Community Services

Relevant Managing Director: Managing Director (People and Places)

Relevant Portfolio Holder: Councillor V Hopley

**Contact for further information: Miss Laura Gee (Extn. 5196)
(E-mail: laura.gee@westlancs.gov.uk)**

SUBJECT: SELECTIVE HMO LICENSING

Wards affected: Borough wide

1.0 PURPOSE OF THE REPORT

- 1.1 To provide members with an understanding of the Selective Licensing process for houses in multiple occupation (HMO) and the reasons why a Landlord Accreditation Scheme was preferred

2.0 RECOMMENDATIONS

- 2.1 That a Selective Licensing Scheme not be introduced at the current time.
- 2.2 That the progress of the Landlord Accreditation Scheme be monitored with the Assistant Director Community Services bringing back a report to Cabinet in September 2012.

3.0 BACKGROUND

- 3.1 Members will recall that Cabinet received a Report on the Landlord Accreditation Scheme in September 2011. In agreeing to implement such a scheme, Members also agreed that a Selective HMO Licensing Scheme be explored, with a Report being brought back to Cabinet.

- 3.2 The Housing Act 2004 (the Act) introduced mandatory and selective provisions to licence HMO's. A HMO is defined as a dwelling that is occupied by persons who do not form a single household.
- 3.3 The mandatory licensing scheme applies to properties that are occupied by five or more unrelated households where the living accommodation is spread over three or more storeys (including converted lofts and basements).
- 3.4 The measures to apply the mandatory scheme are already in place.

4.0 SELECTIVE LICENSING

- 4.1 Whereas the mandatory scheme only applies to three storey properties with five or more unrelated occupants, a selective licensing scheme can be applied to all privately rented housing, subject to certain limitations. The limitations are;
- selective licensing can only operate in designated areas;
 - certain tenancies and licenses are exempt from selective licensing;
 - a scheme can only be in place for 5 years;
 - there must be no other course of action available to achieve the same objectives;
 - the appropriate national authority must approve the designation.
- 4.2 The aim of a selective licensing scheme is to raise standards in the private rented sector and drive out poor landlords in areas where privately rented properties are problematic for the wider community.
- 4.3 Before designating an area, the local authority must consult with anyone who is likely to be affected by the introduction of a scheme and must be able to show that selective licensing is being considered in response to three sets of housing problems, namely, low housing demand, persistent anti-social behaviour or other challenging housing problems.
- 4.4 Low housing demand refers to areas where house prices are low, there is a high turnover of occupiers, there are a large number of properties available for sale or rent and properties remain empty for long periods of time. There are no areas within the Borough that would be designated as being low demand.
- 4.5 An area can be deemed to be suffering from significant and persistent anti-social behaviour if it suffers from:
- **Crime:** tenants not respecting the property in which they live and engaging in vandalism, criminal damage, burglary, robbery/theft and car crime.
 - **Nuisance Neighbours:** intimidation and harassment; noise, rowdy and nuisance behaviour; animal related problems; vehicle related nuisance. Tenants engaged in begging; anti-social drinking; street prostitution and kerb-crawling; street drugs market within the curtilage of the property.
 - **Environmental Crime:** tenants engaged in graffiti and fly-posting; fly-tipping; litter and waste; nuisance vehicles; drugs paraphernalia; fireworks misuse in and

around the curtilage for their property.

4.6 Section 80 (6) (b) of the Act requires the local housing authority to consider that some or all of the private sector landlords who have let premises in the area are failing to take action to combat such problems and that it would be appropriate for them to take such action.

4.7 The local authority must be able to show that the introduction of a selective licensing scheme would, in combination with other measures, eliminate the problem.

5.0 LANDLORD ACCREDITATION SCHEME

5.1 The Landlord Accreditation Scheme will offer an alternative solution to Selective Licensing. The introduction of this scheme was approved by Cabinet on the 13 September 2011.

5.2 The Accreditation Scheme will achieve the same aims i.e. raising standards but there are no limitations and there is no requirement for housing problems to be in existence.

5.3 A working group has been established to progress implementation of the scheme and a launch event with landlords is being planned for February 2012.

6.0 SUSTAINABILITY IMPLICATIONS/COMMUNITY STRATEGY

6.1 There are no significant sustainability impacts associated with this report and, in particular, no significant impact on crime and disorder.

7.0 FINANCIAL AND RESOURCE IMPLICATIONS

7.1 There are no financial implications as a Selective Licensing Scheme is not being recommended.

8.0 RISK ASSESSMENT

8.1 The recommendation to Cabinet is that it is not appropriate to introduce a Selective Licensing Scheme at this time in West Lancashire. There is no risk associated with not introducing a scheme therefore it does not require a formal risk assessment.

Background Documents

The following background documents (as defined in Section 100D (5) of the Local Government Act 1972) have been relied on to a material extent in preparing this Report.

<u>Date</u>	<u>Document</u>
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Housing Act 2004 (Part 3)

February 2010 Approval steps for additional and Selective Licensing designations in England

www.communities.gov.uk/documents/housing/doc/approvalsteps.doc

Equality Impact Assessment

There is a significant direct impact on members of the public, employees, elected members and / or stakeholders. Therefore an Equality Impact Assessment is required. A formal equality impact assessment is attached as an Appendix to this report, the results of which have been taken into account in the Recommendations contained within this report

Appendices

1. Equality Impact Assessment